

Message Text

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TO AMEMBASSY BRUSSELS
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AMEMBASSY COPENHAGEN
AMEMBASSY PARIS
AMEMBASSY ATHENS
AMEMBASSY THE HAGUE
AMEMBASSY OSLO
AMEMBASSY LISBON
AMEMBASSY ANKARA
AMEMBASSY LONDON
INFO AMEMBASSY BONN
AMEMBASSY ROME
USMISSION NATO

C O N F I D E N T I A L STATE 076112

E.O. 11652:GDS

TAGS: NATO, MILI

SUBJECT: NATO PATROL HYDROFOIL MISSILE (NATO PHM)

1. THE DEPARTMENT OF DEFENSE HAS CONDUCTED AN EXTENSIVE
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ANALYSIS OF THE MERITS AND COST EFFECTIVENESS OF THE PATROL
HYDROFOIL MISSILE (PHM) PROGRAM. SINCE THE PATROL
HYDROFOIL SHIP HAS BEEN DEVELOPED UNDER NATO AUSPICES AND
IS A NATO COOPERATIVE PROGRAM (AMONG US, FRG AND ITALY),
AND IN LIGHT OF US DETERMINATION TO FOSTER STANDARDIZATION
AND INTEROPERABILITY AMONG ALLIED WEAPONS SYSTEMS, AN
IMPORTANT FACTOR AFFECTING THE US DECISION WHETHER TO

CONTINUE WITH ITS PART OF THE PROGRAM MUST BE THE ATTITUDES OF OUR NATO ALLIES. ACTION ADDRESSEES ARE THEREFORE REQUESTED, DRAWING UPON BACKGROUND INFORMATION IN FOLLOWING PARAGRAPHS, TO PROMPTLY DISCUSS PHM PROGRAM WITH APPROPRIATE OFFICIALS OF MODS, IN ORDER TO DETERMINE EXTENT OF HOST COUNTRY INTEREST IN AND SUPPORT FOR THE PROGRAM.

2. THE NATO PHM PROGRAM HAS BEEN A SUCCESSFUL NATO COOPERATIVE VENTURE. IN 1972, THE US, FRG AND ITALY SIGNED A MEMORANDUM OF UNDERSTANDING (MOU) WHICH PROVIDED A CHARTER FOR THE DESIGN AND DEVELOPMENT OF THE NATO PHM AND WHICH ENVISIONED FOLLOW-ON PRODUCTION OF THE SHIP. ALL THREE NATIONS CONTRIBUTED TO THE DESIGN AND DEVELOPMENT

PHASE, WITH THE US INVESTING ABOUT \$103 MILLION, THE FRG \$20.4 MILLION AND ITALY \$13.4 MILLION. ITALY HAS DECIDED NOT TO GO INTO THE PRODUCTION PHASE AT THE PRESENT TIME, WHILE THE US AND THE FRG REMAIN UNCOMMITTED. (ITALY REMAINS A FULL MEMBER OF THE CONSORTIUM AND COULD ELECT TO ENTER PRODUCTION PHASE AT A LATER DATE.) THE US COULD, HOWEVER, ENTER PRODUCTION IMMEDIATELY, SINCE: (1) US LAUNCHED THE LEAD SHIP (PHM-1) IN NOV 74; (2) THE TECHNICAL AND OPERATIONAL EVALUATION OF PHM-1 HAS BEEN SUCCESSFULLY COMPLETED; AND (3) CONGRESS HAS APPROPRIATED FUNDS TO BEGIN SERIES PRODUCTION OF FOLLOW-ON SHIPS. SAILWAY COSTS FOR EACH OF FIVE SHIPS IN A U.S. STAND-ALONE PRODUCTION PROGRAM WOULD BE APPROXIMATELY \$58 MILLION, INCLUDING \$32 MILLION PLATFORM COSTS, \$11 MILLION FOR PRODUCTION START-UP AND THE REMAINDER FOR CONFIDENTIAL

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WEAPONIZING AND OUTFITTING. IN THE EVENT THAT OTHER NATIONS ELECTED TO PARTICIPATE IN PHM PRODUCTION, START-UP COSTS WOULD BE SHARED, REDUCING THE UNIT COSTS BOTH TO THE U.S. AND TO THE PARTICIPATING NATIONS.

3. THE NATO PHM WAS INTENDED TO BE A VALUABLE SUPPLEMENT TO THE NATO ORDER OF BATTLE, FULFILLING A MUTUALLY PERCEIVED NEED TO COUNTER THE SOVIET SURFACE SHIP THREAT. IN 1971, NATO COMMANDERS STATED A REQUIREMENT FOR A REASONABLY INEXPENSIVE SHIP, FASTER THAN CONVENTIONAL HULLS, CAPABLE OF ANTI-SURFACE ATTACKS AS WELL AS BARRIER AND SURVEILLANCE OPERATIONS. THE PHM (A PRODUCT OF THE ONLY NATO SHIP CONSORTIUM) WHICH IS FAST, SMALL, WITH EXCELLENT SEA KEEPING CHARACTERISTICS, IS DIFFICULT TO IDENTIFY AND TARGET AND HAS A LETHAL PUNCH, IS CONSIDERED AN EFFECTIVE WAY TO COUNTER SOVIET MISSILE SHIPS. THE FOLLOWING SPECIFICATIONS ARE PROVIDED FOR BACKGROUND INFORMATION:

LENGTH 40.0M
BEAM 8.6M
DRAFT
--HULLBORNE (FOILS RETRACTED) 1.9M
--HULLBORNE (FOILS EXTENDED) 7.1M
--FOILBORNE (NOMINAL) 2.7M
DISPLACEMENT 235 METRIC TONS
SPEED
--HULLBORNE 12 KNOTS
--FOILBORNE IN EXCESS OF 40 KNOTS
PROPULSION
--HULLBORNE 2 DIESELS WITH 2 WATERJETS
--FOILBORNE 1 GAS TURBINE WITH WATERJET

CREW (OFFICERS/ENLISTED) 4/17
GUN 76MM OTO-MELARA
MISSILE SYSTEM HARPOON, EXOCET OR TESEO
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4. WE WOULD APPRECIATE ACTION ADDRESSEES DISCUSSING
ISSUE AT APPROPRIATE LEVEL IN DEFENSE MINISTRY TO
DETERMINE IMPORTANCE OF PHM TO HOST COUNTRY AND ALLIANCE
AS A WHOLE. SPECIFICALLY, WE SOLICIT HOST COUNTRY VIEWS
ON FOLLOWING QUESTIONS:

A. DOES HOST COUNTRY BELIEVE THE NEED FOR HIGH SPEED
MISSILE BOATS IS STILL VALID?

B. DOES THE EXISTENCE OF THE RECENTLY OBSERVED SOVIET
SARANCH-CLASS PHM AFFECT THE PERCEIVED ALLIED NEED?
(THE SOVIET PHM WAS FIRST OBSERVED IN LENINGRAD IN
OCTOBER 1976 AND IS ESTIMATED TO HAVE CHARACTERISTICS
SIMILAR TO THE NATO PHM.)

C. IS THE NATO PHM, AS DESIGNED, A POTENTIAL CANDIDATE
FOR HOST COUNTRY NEEDS?

D. IS THERE A BASIS FOR ASSUMING HOST COUNTRY WILL
PARTICIPATE IN PHM PRODUCTION NOW OR IN THE FUTURE?

E. IF HOST COUNTRY FORESEES NO NATIONAL REQUIREMENT FOR
PHM, WOULD IT NEVERTHELESS SUPPORT THE NEED FOR THE SHIP
AS PART OF NATO MARITIME DEFENSES?

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